GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:147
ANSWERED ON:25.07.2006
ENTRY OF CIGARETTE COMPANIES IN SEZS .
Gaikwad Shri Eknath Mahadeo

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether the Government has allowed the entry of cigarette companies into Special Economic Zones as reported in the Times of India dated July 11, 2006;

(b) If so, the details and facts thereof;

(c) Whether tariff and tax concessions are also provided to these companies;

(d) If so, the reasons therefor;

(e) Whether this goes contrary to the Government move to eradicate smoking habit; and

(f) If so, the measures taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (b) Yes sir. Seven units for export of cigarettes have been allowed to be set up in the Special Economic Zones at Cochin, Falta, Surat and Indore for 100% exports. They are not allowed any clearance to Domestic Tariff Area.

(c) & (d) Units set up in the Special Economic Zone including those for manufacturing and exporting cigarettes are eligible for incentives and facilities including income tax exemptions only for export purpose available under the Special Economic Zone Act, 2005.

(e) & (f) These units are not allowed any local sales within the country.